



JTPA

Number: D95-33

Serving the People of California

DIRECTIVE

Date: April 10, 1996

TO:

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SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

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SUBJECT: PROTOCOLS AND GUIDELINES FOR STATE MONITORING
REVIEWS

EXECUTIVE SUMMARY:

Purpose:

This Directive establishes protocols and guidelines for monitoring reviews conducted by state monitors.

Scope:

The information in this Directive applies to all state monitoring reviews.

Effective Date:

This Directive is effective the date of issuance.

REFERENCES:

- JTPA 164 (a)(3)(H), (a)(4)
- 20 CFR 627.420 (f)(1)
- 20 CFR 627.475 (b)

STATE-IMPOSED REQUIREMENTS:

This document contains state-imposed requirements. These requirements are in ***bold, italic*** print.

FILING INSTRUCTIONS:

This Directive supersedes Interim Directive 94-03 Rev. 1.

BACKGROUND:

These protocols are intended to promote clarity of communications, efficiency in completing monitoring reviews, and a greater understanding, by all parties involved, of the procedures used in conducting monitoring reviews. The protocols included in this directive incorporate ideas, suggestions, and comments from Service Delivery Areas (SDAs), and reflect the state's commitment to effective oversight of the Job Training Partnership Act (JTPA) program. They apply to the conduct of the Employment Development Department's (EDD) routine monitoring reviews of SDAs. However, these protocols do not apply when, during the course of a monitoring review, the monitor discovers instances of fraud or abuse. In such instances, JTPA Directive 91-2, FRAUD AND ABUSE, June 28, 1991, will apply.

PROCEDURES:

I. Notice of Selection for Review

- A. Monitors will contact SDAs and Private Industry Councils (PIC) selected for monitoring reviews to establish a date for an entrance conference as soon as practicable, but generally at least ten working days in advance of the visit. To the maximum extent possible, SDAs should identify and resolve issues prior to the review.***
- B. The SDAs selected for monitoring reviews will be notified in writing of their selection as soon as practicable and will be provided with the appropriate monitoring guide so they may be fully informed as to the scope and depth of the review. To the extent possible, every effort will be made to include the statutory and regulatory criteria for each item specified in the monitoring guide. If an SDA is notified of a review directly by someone other than a state monitor, the SDA should inform the Deputy Director of the EDD's Program Review Branch immediately.***
- C. Written notification of monitoring reviews will include identification of the subject areas to be reviewed, whether subcontractor or employer visits will be required, and the types of files and sample documentation that will be needed. Notification will also include the anticipated duration of the review and the number of monitors who will be onsite to conduct the review.***

II. Entrance Conferences

- A. The lead monitor will participate in an entrance conference with the SDA administrator or their designee. The entrance conference will accomplish the following:***
 - 1. The lead monitor will provide the following information: the names of all monitors who will be onsite; a description of the scope of the review; the subrecipients who will be visited; and the expected timeline for the review.***

2. *The SDA administrator will designate staff responsible for the selected review areas to act as contact persons for the monitors.*
3. *The SDA will inform subrecipients of planned reviews and will make appointments with subrecipients upon request of the lead monitor.*
4. *The lead monitor will establish a schedule of appointments for SDA staff interviews. Interviewees may be designated by the SDA administrator.*

III. Onsite Review Process

- A. *Prior to the onsite review, the monitor will, to the extent possible, secure and review documents such as reports of previous audits or monitoring visits, single audit reports, in-depth review reports, and documentation concerning completed corrective actions.*
- B. *During monitoring reviews, the monitor will notify the SDA administrator and the assigned Job Training Partnership Division (JTPD) Program Manager if he or she sees an issue that could be cited in a report. The SDA will have the opportunity to perform corrections onsite during the review. If such corrections are acceptable to the monitor, the issue may appear in the report with the notation that corrective action has been taken and that further corrective action is not necessary.*
- C. *No original documents may be removed from the SDA offices or subrecipient offices unless approved by the SDA administrator or by legal authorization. However, the monitor may obtain copies of original documents for purposes of any review.*

IV. Exit Conferences

- A. *At the completion of the fieldwork, the monitor will hold an exit conference with the SDA administrator or their designee.*
- B. *During the exit conference, the monitor will disclose all findings and concerns that will be included in the report. If, after the exit conference, findings or concerns are substantially revised, or findings or concerns not discussed at the exit conference are added to the report, the SDA administrator will be notified before the publication of the draft report. If the additional findings or revisions are significant in the judgment of the SDA administrator, they may request a second exit conference to discuss the new items.*
- C. *The monitor will always cite the applicable JTPA law, regulation, or policy that applies to any finding.*

- D. The monitor will provide full information on the procedures for responding to the draft report and will describe the appeal procedure, if applicable.***

V. Monitoring Report - Draft Stage

- A. The Compliance Review Division (CRD) will issue a draft report to the SDA within 25 working days after the exit conference and will request a response within 25 working days of the SDA's receipt of the draft report. The monitoring report will clearly differentiate the following two areas:***

- 1. Concerns regarding observed conditions that could become areas of noncompliance or poor program performance. Each concern will have a related suggestion for the SDA administrator's consideration.***
- 2. Findings that specify noncompliance with the JTPA, its associated regulations, JTPA Directives, and/or applicable subgrant provisions. Each finding will have a related recommendation that the SDA meet the applicable requirement and, as the CRD deems necessary, provide the CRD with documentation that demonstrates compliance.***

- B. The CRD will provide a copy of the draft monitoring report to the Chief of the JTPD at the time the report is forwarded to the SDA. The Chief of the JTPD will ensure that JTPD program managers are assigned to assist the SDA in developing corrective action to resolve any findings. Upon receipt of a draft report containing findings, the appropriate program manager will contact the SDA to determine if technical assistance is desired.***

- C. For federal reviews, the state will send a copy of the federal findings to the SDA within one working day of receipt by the state.***

VI. SDA Response to Draft Report

- A. An SDA's response to a monitoring report may include:***

- 1. A statement agreeing or disagreeing with any findings.***
- 2. The SDA's proposed corrective action(s) to resolve any findings, including the identification of the major tasks involved and the appropriate timelines for their implementation.***
- 3. The SDA's interpretation of any issue and any additional information that may help resolve any findings.***
- 4. Any information the SDA chooses to submit regarding a concern included in a report.***

VII. Final Report

- A. After receipt and consideration of the SDA's response to the draft report, the CRD will issue a final report containing those elements noted in V. Monitoring Report - Draft Stage part A above. Based on its analysis of the SDA's response, the final report will include the CRD's conclusions regarding the status of the findings specified in the draft report.***
- B. The CRD will issue the final report within 15 working days of receipt of the SDA's response to the draft report.***
- C. The CRD will provide a copy of the final report to the Chief of the JTPD at the time the report is forwarded to the SDA.***

VIII. Resolution of Monitoring Findings

- A. Staff of the JTPD will work with the SDA to secure acceptable corrective action for each finding, including, as necessary, assisting the SDA in developing a corrective action plan (CAP), and reviewing all CAPs before they are submitted to the CRD.***
- B. Within 20 working days of receipt of the final monitoring report, the SDA must submit to the JTPD CAPs or other appropriate documentation to resolve any findings in the report. The CAPs must describe all major tasks or activities that are planned to resolve findings and include appropriate schedules for implementation. The CAPs should cite any SDA concerns with findings and should also explain if state or federal actions are required for their final resolution. If a CAP would include the same information as the SDA's response to the draft report, then the SDA need not submit a CAP, but must notify the CRD and the appropriate program manager in writing of this fact.***
- C. Within 25 working days of receipt of the final monitoring report, the JTPD must submit to the CRD the SDA's CAP along with the JTPD's written conclusion concerning the adequacy of the CAP. The CRD will review each CAP and determine if it is adequate to resolve each finding. The CRD will, within 15 working days of receipt of the CAP, inform the SDA and the JTPD in writing whether the CAP is adequate to resolve the finding. If the CAP is found to be inadequate, the CRD will request that it receive a revised CAP within 10 working days.***
- D. If a CAP is not received by the JTPD within 20 working days of the SDA's receipt of the final report, the manager of the JTPD's Program Management Section will contact the SDA administrator to expedite the SDA's submission of the CAP and will inform the manager of the JTPA Monitoring Section of this contact. If the JTPD has not received a CAP within the next 10 working days, the Chief of the JTPD will contact the SDA administrator to expedite the SDA's submission of the CAP and will***

inform the Chief of the CRD of this contact. If the JTPD still has not received a CAP within the next 10 working days, the Deputy Director of the Employment and Training Branch will notify the appropriate PIC Chair and the Deputy Director of the Program Review Branch in writing of these circumstances and will request immediate action by the PIC Chair. If appropriate action is not taken within the next 10 working days, the Director of the EDD will notify the chief elected official responsible for SDA and PIC activities that a CAP has not been submitted.

E. Except as agreed to by the JTPD in advance, the SDA is required to implement corrective actions within 60 working days following receipt of a final report.

F. Issues concerning potential disallowed costs arising from monitoring findings will be referred to the JTPD's Compliance Resolution Unit by the assigned program managers. Resolution of these findings, including debt collection activities, will follow established departmental procedures.

ACTION:

Bring this Directive to the attention of the appropriate staff.

INQUIRES:

Please direct inquiries about this Directive to your assigned Program Manager.

/S/ VICKI J. JOHNSRUD
Acting Chief